



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**BIODIESEL MOTOR FUEL  
PRODUCTION CREDIT**

Attach to your Income Tax Return  
Complete a Separate TC-39 for Each Facility

**SC SCH. TC-39**

(Rev. 3/2/07)  
3432

**2006**

Names As Shown On Tax Return

SS No. or Fed. EI No.

**Part I INFORMATION**

- |   |  |
|---|--|
| 1. Date placed in service (MM/DD/YYYY)  | 2. County facility is located                            |
| <br>  |  |
| 3. Is this the first facility in this county to produce biodiesel motor fuel using soybean oil as the feedstock? If the answer is yes, <b>GO TO</b> line 6.                               | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| 4. Is this the first facility in this county that produces biodiesel motor fuel using a feedstock other than soybean oil? If the answer is yes, <b>GO TO</b> line 6.                      | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| 5. Is the biodiesel motor fuel produced exclusively for internal use? If the answer is yes, <b>GO TO</b> line 6. If the answer is no, <b>STOP</b> . You do not qualify for either credit. | YES <input type="checkbox"/> NO <input type="checkbox"/> |
| 6. Indicate the type of credit claimed:   |  |
| <input type="checkbox"/> Credit for Soybean-Based Biodiesel Motor Fuel. <b>Go to Part II</b>  |  |
| <input type="checkbox"/> Credit for Nonsoybean-Based Biodiesel Motor Fuel. <b>Go to Part III</b>  |  |

**Part II CREDIT FOR PRODUCTION AND SALE OF SOYBEAN-BASED BIODIESEL MOTOR FUEL**

- |   |                |
|---|----------------|
| 1. Enter number of gallons of soybean-based biodiesel motor fuel produced at this facility and sold during the tax year   |                |
| 2. Soybean-based biodiesel motor fuel tax credit rate per gallon  | \$ <u>0.20</u> |
| 3. Multiply line 1 by line 2. This is the credit earned in the current year   | \$             |
| 4. Enter amount carried forward from prior year   | \$ <u>0.00</u> |
| 5. Total credit available. Add line 3 and line 4  | \$             |
| 6. Enter tax liability after applying all other credits   | \$             |
| 7. <b>Soybean-based biodiesel motor fuel credit.</b> Enter the lesser of line 5 or line 6. This is your current year credit. Enter on the appropriate tax credit schedule.          | \$             |
| 8. Line 5 minus line 7. Enter -0- if the amount is negative. This is your carryforward for future years. <b>GO TO</b> Part IV and complete the Carryforward Reconciliation Schedule | \$             |

**Part III CREDIT FOR PRODUCTION AND SALE IF NONSOYBEAN-BASED BIODIESEL MOTOR FUEL**

- |   |                |
|---|----------------|
| 1. Enter number of gallons of nonsoybean-based biodiesel motor fuel produced at this facility and sold during the tax year  |                |
| 2. Nonsoybean-based biodiesel motor fuel tax credit rate per gallon   | \$ <u>0.30</u> |
| 3. Multiply line 1 by line 2. This product is the tax credit that is available for this year  | \$             |
| 4. Enter amount carried forward from prior year   | \$ <u>0.00</u> |
| 5. Total credit available. Add line 3 and line 4  | \$             |
| 6. Enter tax liability after applying all other credits.  | \$             |
| 7. Nonsoybean-based biodiesel motor fuel credit. Enter the lesser of line 5 or line 6. This is your current year credit. Enter on the appropriate tax credit schedule               | \$             |
| 8. Line 5 minus line 7. Enter -0- if the amount is negative. This is your carryforward for future years. <b>GO TO</b> Part IV and complete the Carryforward Reconciliation Schedule | \$             |

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**Part IV CARRYFORWARD RECONCILIATION SCHEDULE**

<b>Tax Year Beginning (a)</b>	<b>Carryforward from Prior Years (b)</b>	<b>Credits Earned in the Current Year (c)</b>	<b>Credits Available Column (b) + Column (c) (d)</b>	<b>Credits Taken this Year (e)</b>	<b>Carryforward to Future years Column (d) minus Column (e) (f)</b>
2006	0				
2007					
2008					
2009					
TOTALS					

**INSTRUCTIONS FOR BIODIESEL MOTOR FUEL PRODUCTION TAX CREDITS****GENERAL INFORMATION**

Temporary Budget Proviso 72.113(C) (2006 Act No. 397, Part IB, Proviso 72.113(C)) provides two credits against individual income taxes and corporate income taxes for the production of biodiesel motor fuel.

**Credit for Soybean-based Biodiesel Motor Fuel**

Temporary proviso 72.113(C)(1) provides for a tax credit of 20¢ a gallon of biodiesel motor fuel produced mostly from soybean oil and sold, up to a maximum of 3 million gallons per year from each facility, for a maximum of 5 years for each facility. Credits are available for not more than one facility in each county in any calendar year, with priority given to the first facility in a county that produces biodiesel motor fuel using soybean oil as the feedstock. Credits are available to individuals or businesses producing motor fuel mostly from soybean oil for internal use without regard to the per county limitation. The credit may be carried forward for up to 3 years. Payment of the credits is made upon compliance with verification procedures set forth by the Department of Agriculture.

**Credit for Nonsoybean-based Biodiesel Motor Fuel**

Temporary proviso 72.113(C)(2) provides for a tax credit of 30¢ cents a gallon of biodiesel motor fuel, a majority of which is produced from feedstock other than soybean oil and sold, up to a maximum of 3 million gallons per year, for a maximum of 5 years. Credits are available for not more than one facility in each county in any calendar year, with priority given to the first facility in a county that produces biodiesel motor fuel using a feedstock other than soybean oil. Credits are available to individuals or businesses producing biodiesel motor fuel for internal use, a majority of which is derived from feedstock other than soybean oil, without regard to the per county limitation. The credit may be carried forward for up to 3 years. Payment of the credits is made upon compliance with verification procedures set forth by the Department of Agriculture.

**Effective Date**

The proviso states that the credits apply to tax years beginning after December 31, 2005. This temporary proviso is effective for the State fiscal year July 1, 2006 through June 30, 2007. Unless reenacted by the General Assembly in the next legislative session, the provisions of this Act expire on June 30, 2007.

**Social Security Privacy Act Disclosure**

It is mandatory that you provide your social security number on this tax form if you are an individual taking this credit. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

**The Family Privacy Protection Act**

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.